



DEPARTMENT OF COMMERCE

International Trade Administration

[C-580-879]

Certain Corrosion-Resistant Steel Products from the Republic of Korea: Preliminary Results of Countervailing Duty Administrative Review, 2019

AGENCY: Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) preliminarily determines that countervailable subsidies are being provided to producers and exporters of certain corrosion-resistant steel products (CORE) from the Republic of Korea. The period of review (POR) is January 1, 2019, through December 31, 2019.

DATES: Applicable [Insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Dennis McClure or Joshua Simonidis, AD/CVD Operations, Office VIII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-5973 and (202) 482-0608, respectively.

SUPPLEMENTARY INFORMATION:

Background

On July 21, 30, and 31, 2020, we received requests for multiple administrative reviews.¹ On September 3, 2020, Commerce published a notice of initiation of an administrative review of the countervailing duty (CVD) order on CORE from Korea.² On October 6, 2020, Commerce selected KG Dongbu Steel Co., Ltd. (KG Dongbu Steel) (formerly Dongbu Steel Co.,

¹ See Petitioners' Letter, "Request for Administrative Review," dated July 31, 2020; see also POSCO C&C's Letter, "Administrative Review Request," dated July 30, 2020; Hyundai Steel's Letter, "Request for Administrative Review," dated July 21, 2020; and POSCO's Letter, "Administrative Review Request," dated July 21, 2020.

² See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 85 FR 54983 (September 3, 2020).

Ltd.)/Dongbu Incheon Steel Co., Ltd. (collectively, Dongbu) and Hyundai Steel Company as mandatory respondents in this administrative review.³

On March 4, 2021, and March 24, 2021, Commerce extended the deadline for the preliminary results of this review.⁴

For a complete description of the events that followed the initiation of this review, *see* the Preliminary Decision Memorandum.⁵ A list of topics discussed in the Preliminary Decision Memorandum is included at the Appendix I to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov>. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>.

Scope of the Order

The merchandise covered by the order is certain corrosion-resistant steel products. For a complete description of the scope of the order, *see* the Preliminary Decision Memorandum.

Methodology

Commerce is conducting this review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found countervailable, we preliminarily determine that there is a subsidy, *i.e.*, a financial contribution from an authority that gives rise to a benefit to the recipient, and that the subsidy is specific.⁶ For a full description of

³ On October 27, 2020, KG Dongbu Steel reported that it changed its name from Dongbu Steel to KG Dongbu Steel. *See* Dongbu's Letter, "Affiliated Companies Response," dated October 27, 2020.

⁴ *See* Memoranda, "Extension of Deadline for the Preliminary Results of the 2019 Countervailing Duty Administrative Review," dated March 4, 2021, and March 24, 2021, respectively.

⁵ *See* Memorandum, "Decision Memorandum for the Preliminary Results of the Countervailing Duty Administrative Review; 2019: Certain Corrosion-Resistant Steel Products from the Republic of Korea," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

⁶ *See* sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

the methodology underlying our conclusions, *see* the accompanying Preliminary Decision Memorandum.

Preliminary Rate for Non-Selected Companies Under Review

The statute and Commerce’s regulations do not directly address the CVD rates to be applied to companies not selected for individual examination where Commerce limited its examination in an administrative review pursuant to section 777A(e)(2) of the Act. However, Commerce normally determines the rates for non-selected companies in reviews in a manner that is consistent with section 705(c)(5) of the Act, which provides instructions for calculating the all-others rate in an investigation. Section 777A(e)(2) of the Act provides that “the individual countervailable subsidy rates determined under subparagraph (A) shall be used to determine the all-others rate under section 705(c)(5) {of the Act}.” Section 705(c)(5)(A) of the Act states that for companies not investigated, in general, we will determine an all-others rate by weight-averaging the countervailable subsidy rates established for each of the companies individually investigated, excluding zero and *de minimis* rates or any rates based solely on the facts available.

We preliminarily determine that Dongbu is the only mandatory respondent that received countervailable subsidies that are above *de minimis*. Therefore, we preliminarily determine to apply the net subsidy rate calculated for Dongbu to the non-selected companies. For a list of the 36 companies for which a review was requested, and which were not selected as mandatory respondents or found to be cross-owned with a mandatory respondent, *see* Appendix II to this notice.

Preliminary Results of the Review

As a result of this review, we preliminarily determine the net countervailable subsidy rates to be:

Producer/Exporter	Subsidy Rate (percent)
KG Dongbu Steel Co., Ltd. (formerly Dongbu Steel Co., Ltd.)/Dongbu Incheon Steel Co., Ltd.	10.52

Hyundai Steel Company	0.48*
Non-Selected Companies Under Review ⁷	10.52

* (*de minimis*).

Disclosure and Public Comment

We intend to disclose to interested parties the calculations performed for these preliminary results within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b). Interested parties may submit case briefs no later than 30 days after the date of publication of these preliminary results of review.⁸ Rebuttals to case briefs may be filed no later than seven days after the case briefs are filed, and all rebuttal comments must be limited to comments raised in the case briefs.⁹ Note that Commerce has temporarily modified certain of its requirements for serving documents containing business proprietary information until further notice.¹⁰

Pursuant to 19 CFR 351.309(c)(2) and (d)(2), parties who submit case briefs or rebuttal briefs in this review are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, limited to issues raised in the case and rebuttal briefs, must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, within 30 days after the date of publication of this notice. Requests should contain the party's name, address, and telephone number, the number of participants, whether any participant is a foreign national, and a list of the issues to be discussed. If a request for a hearing is made, Commerce intends to hold the hearing at a time and date to be determined. Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

⁷ See Appendix II.

⁸ See 19 CFR 351.309(c).

⁹ See 19 CFR 351.309(d).

¹⁰ See *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 29615 (May 18, 2020); and *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 41363 (July 10, 2020).

Unless extended, we intend to issue the final results of this administrative review, which will include the results of our analysis of the issues raised in the case briefs, within 120 days of publication of these preliminary results in the *Federal Register*, pursuant to section 751(a)(3)(A) of the Act and 19 CFR 351.213(h).

Assessment Rate

In accordance with 19 CFR 351.221(b)(4)(i), we preliminarily assigned subsidy rates in the amounts shown above for the producer/exporters shown above. Upon completion of the administrative review, consistent with section 751(a)(1) of the Act and 19 CFR 351.212(b)(2), Commerce shall determine, and U.S. Customs and Border Protection (CBP) shall assess, countervailing duties on all appropriate entries covered by this review. Commerce intends to issue assessment instructions to CBP no earlier than 35 days after the date of publication of the final results of this review in the *Federal Register*. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication).

Cash Deposit Requirements

In accordance with section 751(a)(1) of the Act, Commerce intends, upon publication of the final results, to instruct CBP to collect cash deposits of estimated countervailing duties in the amounts shown for each of the respective companies listed above on shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this administrative review. For all non-reviewed firms, we will instruct CBP to continue to collect cash deposits at the most recent company-specific or all others rate applicable to the company. These cash deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Interested Parties

These preliminary results are issued and published pursuant to sections 751(a)(1) and 777(i)(1) of the Act, and 19 CFR 351.221(b)(4).

Dated: July 12, 2021.

Christian Marsh,
Acting Assistant Secretary for Enforcement and Compliance.

Appendix I

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Period of Review
- IV. Scope of the Order
- V. Subsidies Valuation Information
- VI. Analysis of Programs
- VII. Recommendation

Appendix II

List of Non-Selected Companies

1. Ajin H & S Co., Ltd.
2. AJU Steel Co., Ltd.
3. B&N International
4. CDS Global Logistics
5. Dong A Hwa Sung Co., Ltd.
6. Dongkuk International, Inc.
7. Dongkuk Steel Mill Co., Ltd.
8. Korea Clad Tech. Co., Ltd.
9. Pantos Logistics Co., Ltd.
10. PL Special Steel Co., Ltd.
11. POSCO
12. POSCO C&C
13. POSCO Coated & Color Steel Co., Ltd.
14. POSCO Daewoo Corp.
15. Samsung C&T Corporation
16. Samsung Electronics Co., Ltd.
17. Sanglim Steel Co., Ltd.
18. SeAH Coated Metal
19. SeAH Steel Corporation
20. Seajin St. Industry, Ltd.
21. Sejung Shipping Co., Ltd.
22. Seun Steel Co., Ltd.
23. Segye Chemical Industry Co., Ltd.
24. Shandongsheng Cao Xian Yalu Mftd.
25. Shengzhou Hanshine Import and Export Trade
26. Soon Hong Trading Co., Ltd.
27. Southern Steel Sheet Co., Ltd.
28. SSangyong Manufacturing
29. Sung A Steel Co., Ltd.
30. SW Co., Ltd.
31. SY Co., Ltd.
32. Syon
33. TCC Steel. Co., Ltd.
34. Young Steel Korea Co., Ltd.
35. Young Sun Steel Co.
36. Young Steel Co.

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